

DUE DATE:
February 14, 2022 by 3:00 PM

REQUEST FOR PROPOSALS
PROFESSIONAL SERVICES
FOR
COMPREHENSIVE HOUSING STRATEGY



**THIS SOLICITATION SUPPORTS THE CITY OF BETHLEHEM'S
IDENTIFIED NEED TO PROVIDE POLICIES AND SOLUTIONS TO THE
CITY'S MOST PRESSING HOUSING ISSUES**

City of Bethlehem
Department of Community and Economic Development
10 East Church Street
Bethlehem, PA 18018

DIRECT QUESTIONS TO:
Tina Roseberry, Housing & Community Development Administrator
(610) 997-5731; croseberry@bethlehem-pa.gov

City of Bethlehem

Comprehensive Housing Strategy

REQUEST FOR PROPOSALS

Section 1: Background

The City of Bethlehem was founded over 280 years ago by members of the Moravian Church. With the development of railroads, industrial opportunity attracted many working class families to Bethlehem Steel, which employed an estimated 300,000 at its peak. Workforce homes were smaller in size and located in low-lying areas of the Lehigh River, Monocacy Creek, and other steep terrains. A majority of City housing was built pre-1939.

Today the City has an estimated 75,000 people, with nearly half of its households classified as low and moderate income. The 2020 Census indicates that this region is the fastest growing area in Pennsylvania with Bethlehem having some of the highest rental rates in the State. In a recent publication, Realtor.com identified 18018 as the nation's twelfth hottest zip code in 2021 based on fastest selling homes and high market demand.

The City's most pressing housing issues include: a low volume of affordable housing, lack of available housing assistance, student housing pressures, rapid growth of market rate apartment units, and the demand for/impact of the creation of short-term housing rentals on the market.

Bethlehem is a city trying to balance the cost of growth and old infrastructure with the demands of a growing rental population. Permanent stable housing today has become a critical initiative.

In the recent past, the City became focused on adaptive reuse of the former industrial lands for entertainment, offices/new retail, higher-end rental living spaces, new public spaces and regional transportation connections. Major federal, state and local incentive packages were created, resulting in a windfall of new development. In addition, Lehigh University continues to expand its campus footprint, student housing, and enrollment.

As the popularity of the City increased regionally, property costs have grown to a point where affordable housing developers cannot construct a project without heavy local or public funding subsidies.

Historic research shows that between 1960 and 2016, the national median income rose by about 11 percent while the median rents rose by 80 percent. The growing rent burden on American households has real consequences. More stable affordable housing is associated with better outcomes in relation to health, education, and earnings.

As it stands, one-third of households in the Lehigh Valley spend over 30% of income a month on rent or mortgages, with the highest concentration of cost-burdened households in the region's three core cities. This trend is partly a function of poverty or unemployment, especially following the pandemic, but it's also driven by soaring housing costs and limited supply. The crisis of affordability threatens to put eventual homeownership—or even an affordable rental—out of reach (Source: RealClear Policy, article by Addison Del Mastro, August, 03, 2021).

The City's Planning and Zoning Department reports, since 2020, the number of rental units proposed has increased 600%. Currently, over 800 housing units are either in the development, permitting or plan review process. Questions ensuing such rapid growth issues are:

- What is the tipping point for appropriate density?
- What are new opportunities for the City to seek out and use to create a greater diversity of units in addition to advocating for affordable units?
- How do we measure or evaluate the quality of life/housing equity issues that this magnitude of rapid growth creates?

The City struggles to have one unified comprehensive housing strategy that incorporates ongoing housing programs and efforts. Important current or past efforts that help shape this housing strategy include:

1. **2020 Analysis of Impediments to Fair Housing Choice report and the City's 2020-2024 Consolidated Plan** – both of which include critical engagement processes to identify key affordable housing barriers.
2. **Bethlehem Blight Betterment Initiative** – In 2018, a blight strategy was prepared to address vacancy, abandonment, and persistent deferred maintenance. A blight certification process has been implemented to reduce blighted properties and irresponsible property owners.
3. **Rental Inspection & Licensing Program** – In 2020, the City implemented a rental inspection and licensing program to improve and maintain rental housing. Today, there are six housing inspectors who regularly inspect rental units for safe and code compliant housing.
4. **Affordable Housing LERTA Ordinance** – Recently passed, this ordinance includes establishing an affordable housing fund to help pay for housing rehabilitation, new affordable housing, and rental subsidy programs.
5. **Affordable Housing Task Force** – The task force includes representatives from local and nonprofit housing developers, regional planning, the school district, lending institutions, and nonprofit community development organizations. Key issues, critical tasks, and solutions to address affordable housing were identified.
6. **South Side & North Side neighborhoods Housing Committees.**
7. **Student Housing Zoning District** – This new district allows for continued economic stability, the promotion of additional on-campus housing, and the concentration of student housing in close proximity to college/public transit to reduce parking shortages and congestion.
8. **Rental Subsidies** – In partnership with New Bethany Ministries, the City provides rental subsidies and services for individuals and families at risk of eviction.
9. **Housing Rehabilitation** – The City's Housing Rehab program and staff repairs 35-40 units annually for lead mitigation, weatherization, and the replacement of old electrical, heating/cooling, and plumbing systems.

In October 2021, Bethlehem answered the Lincoln Institute of Land Policy's national Call for Applications and was awarded a seat at the table. This program was created to help small and midsize communities develop and implement comprehensive local housing strategies. Bethlehem—along with Gallatin County, Montana; Huntsville, Alabama; Kalamazoo County, Michigan; and Pasco, Washington—learned about the scope and engagement activities needed to create a comprehensive housing strategy. The City's Housing Solutions Delegation of six persons participated in 8 virtual workshops that occurred in October through December 2021.

Ultimately, Bethlehem hopes to create a housing strategy that addresses:

- Equity in all actions;
- Ensures private and public support;

- Establishes clear action paths;
- Includes critical timelines for action;
- Builds on existing programs, studies and tools;
- Maps out the actions that are underway and/or in progress;
- Considers emerging issues;
- Identifies land opportunities for affordable housing;
- Builds on existing goals and identifies new goals and actions;
- Fills-in the gaps not covered by existing housing programs or by local housing providers;
- Establishes numerical goals and associated milestones to use and track progress; and
- Monitors actions and progress.

In these unprecedented times, the City intends to allocate a percentage of its American Rescue Plan funds to implement priority housing strategies and programs depicted in this study when completed.

The City intends to select a Consultant which it deems best qualified in its judgment to provide applicable planning and technical services. The City will negotiate with the Consultant deemed most qualified to determine the fee for such services. If the City is unable to negotiate a fee which felt reasonable, the City may negotiate with the Consultant deemed second best qualified or the City may issue another Request for Proposal.

Electronic proposals are due electronically February 14, 2022 by 3:00 PM. The City shall provide a receipt email. Proposals shall be emailed to croseberry@bethlehem-pa.gov.

Resources for proposal development click here:
<https://nextcloud.bethlehem-pa.gov/index.php/s/rKjGNpcsG5frfFD>

Consultant announcement of a contract award is expected by April 29, 2022, followed by contract execution.

Section 2: Scope of Work

Prepare a scope of work that includes the following tasks:

I. Housing Needs Assessment Report customized for the City of Bethlehem

- A. Understand where affordable housing development opportunities exist
- B. Identify the key drivers of the city's housing challenges, such as issues related to developer capacity, shortages of skilled labor, high land prices, and high materials costs
- C. Identify any barriers to cost-effective development posed by City or County regulatory policies
- D. Describe the city's housing needs by income and demographic groups
- E. Identify and assess the City's existing housing programs, tools, incentives, funding resources, and funding levels. Assessment includes program productivity and progress.
- F. Identify and assess other existing nonprofit housing programs, tools, and funding resources
- G. Study effective tools and practices used elsewhere
- H. Review the location, density, volume and the type of units that are being submitted for development in the last year.
- I. Identify and build on efforts already underway—including the work of New Bethany Ministries, Habitat, HDC, Moravian Development Corporation and other area affordable housing providers

- J. Provide and present key housing issues and facts through data collection and analysis
- K. Prior to developing the plan's goals, the Consultant and the City shall articulate and describe how the City will measure affordability and by how much the City should/need to increase the number of affordable units.

II. Establish a Work Program and Timeline

The Consultant shall create a Work Program specifically for the City's Housing Strategy Team—an advisory committee made up of City departments, community housing stakeholders, individuals from key social services, and real estate and development entities. The Consultant shall assist the City in determining and organizing the Housing Strategy Team.

A Work Program should be developed and include key benchmarks and timelines. The Work Program shall outline tasks planned and completed each month.

III. Engagement Plan

- A. Provide the City with suggested members appropriate for the Housing Strategy Team and facilitate early engagement and collaboration from a variety of relevant stakeholders. Selected Housing Strategy Team members should be as inclusive as possible to provide a wide range of important housing perspectives.
- B. Work with the Housing Strategy Team to establish a listing of housing providers, family service providers, Continuum of Care (LVRHAB), Bethlehem Housing Authority, Council and other interested Board members.
- C. Establish the means and a plan for engagement.
- D. Identify and fill gaps in community engagement (certain age groups, populations, etc.)
- E. Create an engagement report. The report should highlight any results that correlate with or is consistent with data collection findings.

IV. Establishing Goals

- A. Prioritize issues and needs. Utilize the Needs Assessment Report to help develop an initial measurable goal(s) statement. The City prefers to limit the number of goals created for the plan, as they are expected to be high-level.
- B. The Housing Strategy Team is expected to review and approve final goals. Such determinations should include discussions over staffing and financial capacity of the City.

V. Establish Policies and Strategies

The development of policies and strategies is the key component of the Comprehensive Housing Strategy report.

- A. Create policies and strategies that address the 4 Key Pillars (see Housing Solutions Org.) <https://localhousingsolutions.org/act/>
 - 1. Create and preserve dedicated affordable housing units
 - 2. Align housing supply with market and neighborhood housing conditions
 - 3. Help households access and afford private market homes
 - 4. Protect against displacement and poor housing conditions
- B. Develop a group process that identifies any gaps in policy development answering the questions: *"Are we balanced? Are we comprehensive?"*
- C. To achieve principal goals and policies, the consultant shall develop strategies that lay out actions that:
 - 1. Benefits the largest low and moderate income populations in the city
 - 2. Addresses populations most in need

3. Preserves existing affordable housing
4. Accounts for homeless or near homelessness populations
5. Identifies affordable housing incentives
6. Provides insight on areas of opportunities in the City
7. Gauges whether or not we can implement and cover its costs
8. Has been analyzed for effectiveness, potential productivity, and its policy implications.
9. Strategies should have a range of possible actions
10. Includes determining the effectiveness over the next 10 years and should incorporate:
 - a) an estimate of affordable units produced and preserved
 - b) targeted income level (associated with needs analysis determinations)
 - c) timeframe for unit(s) development
 - d) rough cost estimates
 - e) funding available from either or both the public and or private sectors

VI. Establish a Monitoring Process

Monitoring throughout the life of the Comprehensive Housing Strategy— indicating when adjustments may be necessary to adopted housing strategies. The consultant should establish realistic timeframes and tools for collecting and reporting out on accomplishment data.

VII. Prepare a Written Comprehensive Housing Strategy Report and Executive Plan Summary

The final Comprehensive Housing Strategy report and Executive Plan Summary shall be prepared with several things in mind:

- A. Implementable. The final report shall include recommendations for funding and implementing specific strategies, actions, and initiatives.
- B. Concise. The report shall be as concise as possible
- C. Graphic. The report shall whenever possible include graphic descriptions to reduce the physical size of the document
- D. Include highlights, key indicators, and or important facts/findings of the Housing Needs Assessment Report as part of the final report. Assume the entire Housing Needs Assessment Report will be included as an appendix document
- E. The Executive Plan Summary is intended to be a brief but graphic report that highlights the key findings and priority strategies and should be separate from the final Comprehensive Housing Strategy report.

Section 3: Proposal Information and Data Required of Each Consultant

Proposals shall contain responses to the following:

I. Qualifications, Capacity, Experience and References of the Consultant

- A. Demonstrate the experience of the Consultant in conducting efforts of the nature and scope required by this Request for Proposal; i.e. Comprehensive Housing Planning Plans and Studies, Housing Programming, Community Engagement Planning.
- B. Identify the key personnel to be assigned to render the services required.
- C. Indicate other employees and or sub consultants who will also assist the Consultant.

- D. Provide up to five related references including agency name, contact, phone and email address.

II. Scope of Work Understanding and Description of Proposed Work

The Consultant shall:

- A. Provide a statement of understanding of the project.
- B. Provide a detailed description of the proposed work having direct correlation to Section 2: Scope of Work.
- C. Include any ideas, comments, and or creative components that will enhance the delivery, strategies, policies and or overall final plan product.

III. Project Timeline and Budget

The Consultant shall provide a timeline for project completion as well as a probable cost.

- A. Provide a project timeline. We estimate the project could take anywhere from six months to one year to complete.
- B. Provide a project budget that includes a lump sum cost for projects identified in Section 2: Scope of Work. Two budget forms should be created:
 - 1. Provide a budget summary.
 - 2. Provide a detailed budget having direct correlation to the 7 Scope of Work tasks including work hours per task, pay rate/assigned worker, total costs per task and total project cost.
- C. Provide a current rate schedule in case an additional task may be asked that is not budgeted.

IV. Minority/Women-Owned/Section 3 Business

If the Consultant qualifies under any of the five business categories listed below, the Consultant shall provide such documentation.

- A. Small business firm
- B. Minority owned business firm
- C. Women owned business firm
- D. Section 3 business firm
- E. Labor surplus area business firm

V. Factors for Award

The City intends to enter into a contract, which covers the cost to complete the Section 2: Scope of Work. The City will evaluate each proposal, determine whether oral discussions of the proposal are necessary, then based on the proposal content and oral discussions, if any, and select a firm best qualified for the assignment. Evaluations shall also be based on special qualifications or skill-sets and other factors relevant or advantageous to the City and the Comprehensive Housing Strategy work product.

VI. Proposal Evaluation

The City will assign points for each segment of the proposal in accordance with the criteria hereinafter set forth. The Consultant with the highest total points will be selected for the purpose of negotiating the required contract including compensation. If the City is not satisfied with the basis used by the Consultant or by the price of the services to be rendered, the City may proceed to

negotiate a contract with the Consultant with the next highest point total. The points to be awarded are set forth for each segment or sub segment below:

A. Qualification, Capacity and Experience of the Consultant (50 points)

Demonstrate the qualifications, capacity and experience of the Consultant in conducting efforts of this nature and Scope of Work required by this Request for Proposal. The Consultants will be placed in rank order from most qualified to least qualified. The firm deemed most qualified will receive the maximum point score. Each succeeding consultant will receive a score in decreasing multiples of five points.

B. Thorough Knowledge of Scope of Work Services (30 points)

Adequacy of the Consultant's knowledge of the Scope of Work services tasks to be accomplished shall be evaluated. The Consultant will be placed in rank order based on the adequacy and responsiveness of their work plans. The Consultant providing the most responsive and adequate work plan will receive maximum points. Each succeeding consultant will receive a score in decreasing multiples of five points.

C. Any Consultant and or their team's sub consultants who meets one of the following types of firms shall receive ten (10) points:

- 1) Small business firm
- 2) Minority owned business firm
- 3) Women owned business firm
- 4) Section 3 business firm

D. Compensation (10 points)

The fees quoted shall be evaluated and the maximum points will be given to a qualified Consultant with the lowest compensation. Lower points will be awarded to Consultants with the higher compensation rates on a percentage basis.

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